



Medical Cannabis Fee Revenue

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Overview

Revenue for Medical Cannabis comes into the state through fees for services that support various aspects of regulation. Fees collected by the Department of Health and Human Services from patient, business (pharmacy and couriers), and transaction fees (sales fees) are deposited into the Qualified *Patient* Enterprise Fund. Starting July 1st, 2023, “business” category fees will be deposited into the Qualified *Production* Enterprise Fund, when pharmacy regulation is assumed by the Department of Agriculture and Food (UDAF). Funds collected by UDAF for the cost of licensure by cultivators and processors are deposited into the Qualified Production Enterprise Fund, which will remain the same in FY 2024.

Enterprise Funds are for programs to be ran akin to a private business enterprise, where the Legislature intends that the costs of providing goods or services to the public are financed or recovered primarily through user charges. These funds are not limited by appropriation and are therefore not typically found in appropriations bills (some exceptions exist including to provide a fund’s revenue estimates for the budget year). Both Medical Cannabis Enterprise funds have a requirement of revenue neutrality. Figures reported in this brief for FY 2023 and FY 2024 are estimates that will change after yearend close out.

Statewide Activity

	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023 (est.)	FY 2024 (est.)
Patients	0	4,027	24,940	52,458	70,879	97,126
Qualified Medical Providers	0	391	355	478	501	525
Pharmacy Medical Providers	0	14	56	29	43	62
Pharmacy Agents	0	46	292	385	412	427
Courier Agents	0	0	31	85	90	95
Establishment Agents*	0	267	400	602	853	977

Counts include renewals

***Establishment refers to processors and cultivators.*

	Grand Total - Medical Cannabis Statewide					
Fiscal Year	2019	2020	2021	2022	2023 (est.)	2024 (est.)
General Fund Provided	\$5,400,000	\$0	\$0	\$0	\$541,400	\$0
General Fund Repaid	\$0	\$0	\$100,000	\$1,500,000	\$1,200,000	\$2,000,000
Total Revenues	\$5,551,300	\$2,352,100	\$5,535,000	\$7,313,830	\$9,171,017	\$8,567,017
Total Expenditures	\$419,500	\$2,832,700	\$3,265,100	\$2,884,000	\$2,912,185	\$5,586,300
Net Income	\$5,131,800	(\$480,600)	\$2,269,900	\$4,429,830	\$6,258,832	\$2,980,717
Ending Fund Balances	\$5,131,800	\$4,654,488	\$6,924,371	\$9,609,101	\$12,936,033	\$10,741,250
FTEs	3	11	17	23	22	30
Vehicles	0	0	3	3	9	5

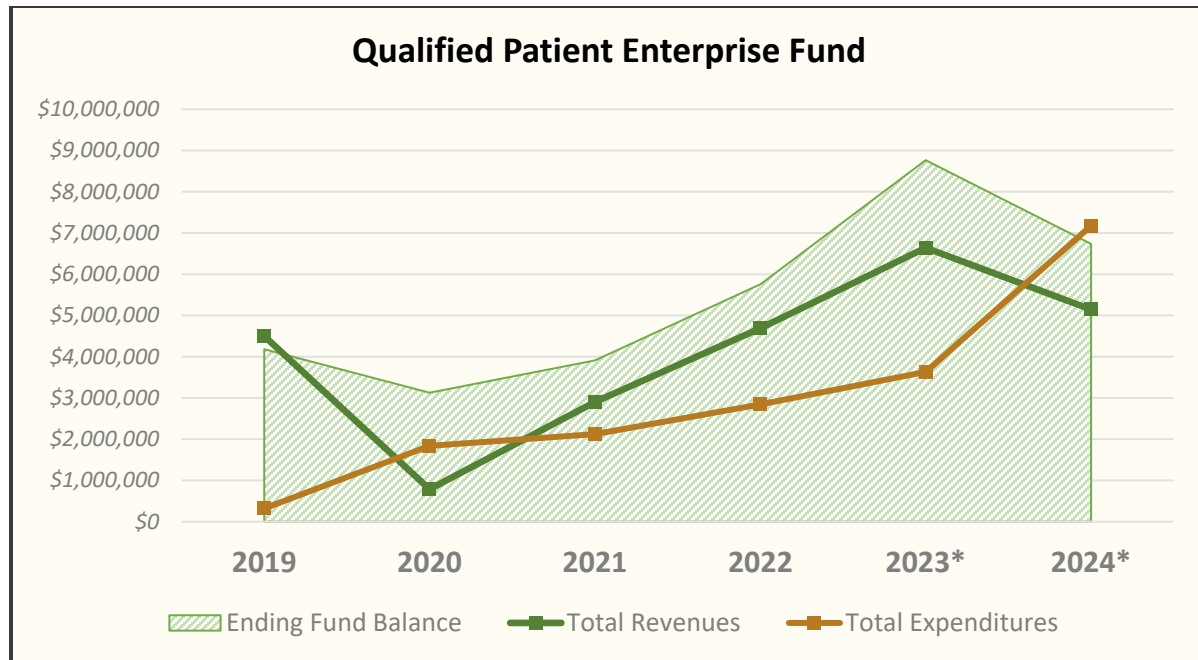


Qualified Patient Enterprise Fund

Department of Health and Human Services (Patients; Pharmacies until July 1st, 2023)

Qualified Medical Providers (QMPs) are limited to 1.5% of all medical cannabis patient cardholders (around 1,500 for FY 2024 estimated) as outlined in UCA [26B-4-204\(4\)](#). The 'Sales Fees' category represents the revenue from the Uniform Transaction Fee of \$3, charged for every pharmacy purchase.

	Health and Human Services (Qualified Patient Enterprise Fund)					
Fiscal Year	2019	2020	2021	2022	2023 (est.)	2024 (est.)
General Fund Provided	\$4,500,000	\$0	\$0	\$0	\$541,400	\$0
Business Fees	\$0	\$544,800	\$945,300	\$968,700	\$922,700	\$0
Patient Fees	\$0	\$104,200	\$826,600	\$1,307,500	\$1,583,300	\$1,345,300
Sales Fees	\$0	\$80,400	\$1,116,100	\$2,390,000	\$3,361,400	\$3,600,000
Interest Income	\$0	\$56,700	\$15,600	\$25,200	\$232,600	\$200,000
Total Revenues	\$4,500,000	\$786,100	\$2,903,600	\$4,691,400	\$6,641,400	\$5,145,300
Personnel Services	\$287,200	\$720,200	\$880,800	\$1,162,800	\$1,681,700	\$1,700,000
Travel	\$5,600	\$9,000	\$1,200	\$3,500	\$15,700	\$23,000
Current Expense	\$8,100	\$45,700	\$109,300	\$273,400	\$350,000	\$900,000
Data Processing Expenses	\$18,600	\$974,000	\$926,600	\$190,800	\$800,000	\$1,816,000
Other Charges/Pass Thru	\$0	\$89,100	\$104,400	\$113,700	\$80,000	\$82,000
Transfers	\$0	\$0	\$100	\$900	\$4,500	\$654,500
General Fund Repaid	\$0	\$0	\$100,000	\$1,100,000	\$700,000	\$2,000,000
Total Expenditures	\$319,500	\$1,838,000	\$2,122,400	\$2,845,100	\$3,631,900	\$7,175,500
Revenues - Expenditures	\$4,180,500	(\$1,051,900)	\$781,200	\$1,846,300	\$3,009,500	(\$2,030,200)
Ending Fund Balance	\$4,180,500	\$3,128,600	\$3,909,800	\$5,756,100	\$8,765,600	\$6,735,400
FTEs	3	6	8	10	15	14
Vehicles	0	0	0	0	0	0



**Estimated*

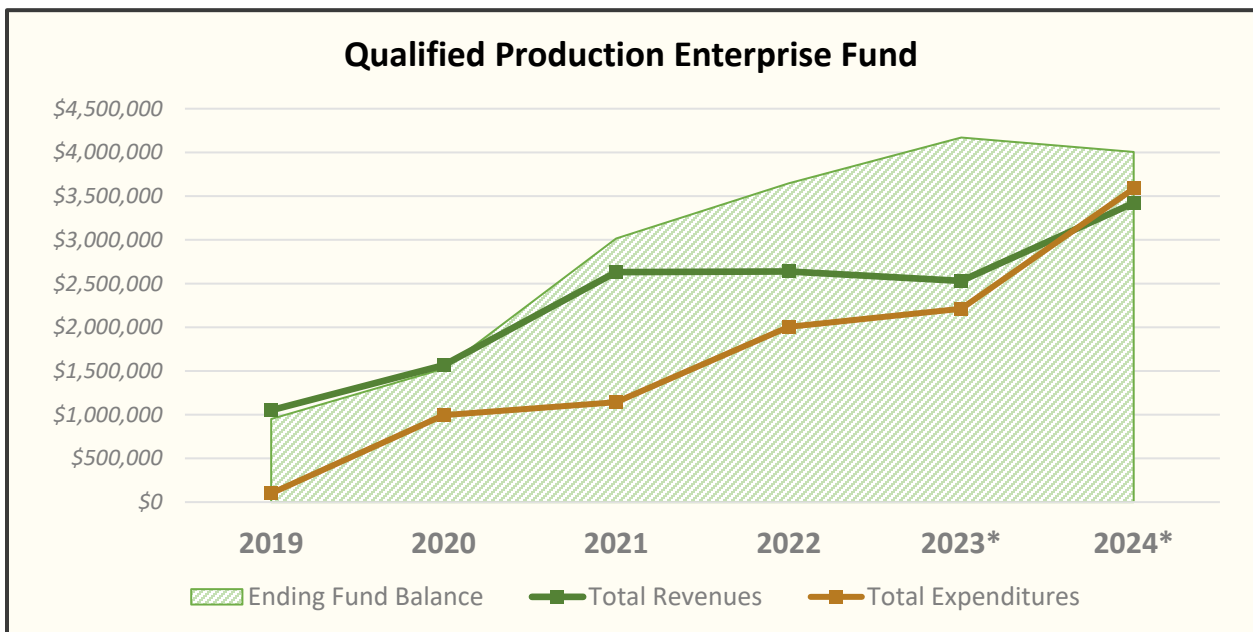
Qualified Production Enterprise Fund

Department of Agriculture and Food (Cultivators, Processors; Pharmacies as of July 1st, 2023)

Revenue from citations/settlements is deposited into this fund and totaled \$48,750 through June 6th. UDAF believes revenue will increase in the future from expanded processing demand, because currently certain cultivators are still under their permitted production limits. When the fees from regulating pharmacies are also collected in this account, the Department expects a further bump in [net revenue](#). Along with the reallocated revenues from Pharmacy licensing, the department will incorporate three staff from the Health program, and is expecting to add additional inspectors to match increased processors coming online. The Department has offered that maintaining a balance in the fund is important for two reasons: first, the replacement of costly cannabis testing equipment (\$150,000 or more), and also responding to emergency situations where extra staff are needed for enforcement actions (to seize and destroy products, etc.) The Department has not yet offered what an ideal balance for the account might be.



	Agriculture (Qualified Production Enterprise Fund)					
Fiscal Year	2019	2020	2021	2022	2023 (est.)	2024 (est.)
General Fund Provided	\$900,000	\$0	\$0	\$0	\$0	\$0
Business Fees	\$147,700	\$1,550,300	\$2,625,700	\$2,609,330	\$2,417,500	\$3,309,600
Patient Fees	\$0	\$0	\$0	\$0	\$0	\$0
Sales Fees	\$0	\$0	\$0	\$0	\$0	\$0
Interest Income	\$3,600	\$15,700	\$5,700	\$13,100	\$112,117	\$112,117
Total Revenues	\$1,051,300	\$1,566,000	\$2,631,400	\$2,622,430	\$2,529,617	\$3,421,717
Personnel Services	\$96,000	\$646,800	\$836,200	\$1,036,000	\$1,115,400	\$1,821,300
Travel	\$2,200	\$2,600	\$400	\$1,500	\$2,700	\$32,500
Current Expense	\$800	\$326,300	\$284,900	\$213,900	\$507,900	\$992,300
Data Processing Expenses	\$1,000	\$19,000	\$21,200	\$31,300	\$73,700	\$176,600
Other Charges/Pass Thru	\$0	\$0	\$0	\$0	\$0	
Capital Outlay	\$0	\$0	\$0	\$101,300	\$12,485	\$563,600
General Fund Repaid	\$0	\$0	\$0	\$400,000	\$500,000	\$0
Total Expenditures	\$100,000	\$994,700	\$1,142,700	\$1,784,000	\$2,212,185	\$3,586,300
Revenues - Expenditures	\$951,300	\$571,300	\$1,488,700	\$838,430	\$317,432	(\$164,583)
Ending Fund Balance	\$951,300	\$1,525,888	\$3,014,571	\$3,853,001	\$4,170,433	\$4,005,850
FTEs	0	5	9	8	8	16
Vehicles	0	0	3	3	9	5



*Estimated



Medical Cannabis Fee Schedule

Highlighted fees are new or changed during the 2023 General Session (effective July 1st, 2023).

Department	Financial Category	Fee Name	Amount
Agriculture & Food	Business Fees	Medical Cannabis Cultivation License Fee	\$100,000.00
Agriculture & Food	Business Fees	Medical Cannabis Cultivation License Application Fee	\$2,500.00
Agriculture & Food	Business Fees	Medical Cannabis Processor Tier 1 License Fee	\$100,000.00
Agriculture & Food	Business Fees	Medical Cannabis Processor Tier 1 License Application Fee	\$1,250.00
Agriculture & Food	Business Fees	Medical Cannabis Processor Tier 2 License Fee	\$35,000.00
Agriculture & Food	Business Fees	Medical Cannabis Processor Tier 2 License Application Fee	\$1,250.00
Agriculture & Food	Business Fees	Medical Cannabis Establishment Agent Regist. Fee - Background Check Needed	\$150.00
Agriculture & Food	Business Fees	Medical Cannabis Establishment Agent Regist. Fee - No Background Check Needed	\$100.00
Agriculture & Food	Business Fees	Medical Cannabis Laboratory License Fee	\$15,000.00
Agriculture & Food	Business Fees	Medical Cannabis Laboratory License Application Fee	\$500.00
Agriculture & Food	Business Fees	Medical Cannabis Research University License	\$2,500.00
Agriculture & Food	Business Fees	Cannabinoid Testing	\$125.00
Agriculture & Food	Business Fees	Pesticide Testing	\$160.00
Agriculture & Food	Business Fees	Foreign Matter Testing	\$15.00
Agriculture & Food	Business Fees	Heavy Metal Testing	\$110.00
Agriculture & Food	Business Fees	Mycotoxin Testing	\$130.00
Agriculture & Food	Business Fees	Microbial Life Testing	\$120.00
Agriculture & Food	Business Fees	Residual Solvent Testing	\$110.00
Agriculture & Food	Business Fees	Terpenes Testing	\$110.00
Agriculture & Food	Business Fees	<i>Microbial Life Testing (w/o PCR)</i>	<i>\$90.00</i>
Health & Human Services	Business Fees	FHP Background Check Fee (pass through)	\$20.00
Health & Human Services	Business Fees	DPS Background Check Fee (pass through)	\$33.25
Health & Human Services	Business Fees	Qualified Medical Provider Proxy Registration (Initial)	\$30.00
Health & Human Services	Business Fees	Qualified Medical Provider Proxy Registration (Renewal)	\$30.00
Health & Human Services	Business Fees	Application	\$2,500.00
Health & Human Services	Business Fees	License Urban	\$67,000.00
Health & Human Services	Business Fees	Home Delivery License Urban	\$69,500.00
Health & Human Services	Business Fees	License Rural	\$50,000.00
Health & Human Services	Business Fees	Home Delivery License Rural	\$52,500.00
Health & Human Services	Business Fees	Qualified Medical Provider Registration (Initial)	\$150.00
Health & Human Services	Business Fees	Qualified Medical Provider Registration (Renewal)	\$50.00
Health & Human Services	Business Fees	Pharmacy Medical Provider/Pharmacist Registration Fee (Initial)	\$150.00
Health & Human Services	Business Fees	Pharmacy Medical Provider/Pharmacist Registration Fee	\$50.00
Health & Human Services	Business Fees	Pharmacy Agent Registration (Initial or >= 1 Year Expired)	\$100.00
Health & Human Services	Business Fees	Pharmacy Agent Registration (Renewal)	\$50.00
Health & Human Services	Business Fees	Courier Application	\$125.00
Health & Human Services	Business Fees	Courier License (Initial)	\$2,500.00
Health & Human Services	Business Fees	Courier License (Renewal)	\$1,000.00
Health & Human Services	Business Fees	Courier Agent Registration (Initial or >= 1 Year Expired)	\$100.00
Health & Human Services	Business Fees	Courier Agent Registration (Renewal)	\$50.00
Health & Human Services	Patient Fees	Non-Utah Resident Patient Card (Initial)	\$15.00
Health & Human Services	Patient Fees	Non-Utah Resident Patient Card (Renewal)	\$15.00
Health & Human Services	Patient Fees	Non-Utah Resident Guardian and Provisional Card (Initial)	\$15.00



Department	Financial Category	Fee Name	Amount
Health & Human Services	Patient Fees	Non-Utah Resident Guardian and Provisional Card (Renewal)	\$15.00
Health & Human Services	Patient Fees	Guardian (already background screened as a Caregiver) and Provisional Card (Initial)	\$15.00
Health & Human Services	Patient Fees	Guardian (already background screened as a Caregiver) and Provisional Card (90 Days)	\$5.00
Health & Human Services	Patient Fees	Guardian (already background screened as a Caregiver) and Provisional Card (6 Month)	\$15.00
Health & Human Services	Patient Fees	Caregiver (already background screened as a Guardian) Registration and Card (Initial)	\$15.00
Health & Human Services	Patient Fees	Caregiver Registration (already background screened as a Guardian) and Card (Renewal)	\$5.00
Health & Human Services	Patient Fees	Patient Card (Initial)	\$15.00
Health & Human Services	Patient Fees	Patient Registration Renewal (90 Days)	\$5.00
Health & Human Services	Patient Fees	Patient Registration Renewal (6 Month)	\$15.00
Health & Human Services	Patient Fees	Guardian and Provisional Card (Initial or >= 1 Year Expired)	\$68.25
Health & Human Services	Patient Fees	Guardian and Provisional Card (90 Days)	\$5.00
Health & Human Services	Patient Fees	Guardian and Provisional Card (6 Month)	\$24.00
Health & Human Services	Patient Fees	Guardian (already background screened as a Guardian) and Provisional Card (Initial)	\$15.00
Health & Human Services	Patient Fees	Guardian (already background screened as a Guardian) and Provisional Card (90 Days)	\$5.00
Health & Human Services	Patient Fees	Guardian (already background screened as a Guardian) and Provisional Card (6 Month)	\$15.00
Health & Human Services	Patient Fees	Caregiver Registration and Card (Initial or >= 1 Year Expired)	\$68.25
Health & Human Services	Patient Fees	Caregiver Registration and Card (Renewal)	\$14.00
Health & Human Services	Patient Fees	Caregiver (already background screened as a Caregiver) Registration and Card (Initial)	\$15.00
Health & Human Services	Patient Fees	Caregiver Registration (already background screened as a Caregiver) and Card (Renewal)	\$5.00
Health & Human Services	Sales Fees	Uniform Transaction Fee	\$3.00

Sources

- <https://cobi.utah.gov/2023/3107/financials>
- <https://cobi.utah.gov/2023/3109/financials>
- <https://cobi.utah.gov/fund/5820>
- <https://cobi.utah.gov/fund/5810>
- Department of Health and Human Services
- Department of Agriculture and Food
- Division of Finance's State Data Warehouse